

3.07.00.00 - COOPERATIVE AGREEMENTS WITH R/W INVOLVEMENT

In delivering projects on the State Highway System, the Department may be requested to perform R/W work financed with Local Agency Funds (e.g., Tax Measure, Property Tax, Developer Fees, Local Assistance federal subvention). To the extent that Departmental policy and budget authority allows, the State and Local Agencies may enter into cooperative agreements for the R/W to be performed by State personnel.

The following procedures should be followed to ensure that cooperative agreements for reimbursed R/W work are properly developed and managed. Depending upon R/W's organizational structure in the region or district, these steps may be performed by various R/W functions including P&M, Local Programs, the R/W Project Coordinator, or a combination of the three.

- Upon conception of a cooperative agreement, the R/W Project Coordinator works with the Project Manager to identify the type of R/W work to be covered by the agreement. The Project Manager should ensure that reimbursable work to be done is consistent with departmental policy.
- At the earliest stage of the project, the R/W Project Coordinator verifies that the District has sufficient reimbursement budget authority for the proposed reimbursed R/W work.
- Before negotiating an agreement with the other party or parties, the Project Manager and R/W Project Coordinator must verify that conceptual approval exists for doing the work cooperatively and that adequate funding is available.
- R/W develops resource information (R/W capital and support estimates) needed for the agreement. Also, R/W ensures adequate budget estimates are computed for R/W Support Costs that include both **direct** (the loaded rate for labor costs) and **indirect** costs.

NOTE: The indirect is also known as **Overhead Assessment Rate** for reimbursed work. It is a combined rate consisting of Functional and Administrative rates for the Highways Program. (The Overhead Assessment Rate for Right of Way historically has been quite significant, that is, as high as 87 percent.)

The overhead assessment rate in effect at the time the expense was incurred is applied to the direct costs and is billed out to the Local Agency for the reimbursed work. The Accounting Service Center calculates and revises the Overhead Assessment Rate for departmental programs annually.

- The R/W Project Coordinator forwards sufficient R/W information to the Project Manager for the writing of the project cooperative agreement.
- The R/W Project Coordinator and other appropriate functions review the draft cooperative agreement for all aspects of the R/W involvement and recommend approval to the R/W Manager or designee.
- The R/W Project Coordinator ensures that R/W activities do not begin prior to having a formal executed agreement.
- Upon execution of the cooperative agreement, P&M establishes TRAMS EAs with all pertinent data (e.g., contributor number, dollar estimates for funding fiscal year) for recording and controlling reimbursed expenditures.
- R/W provides charging instructions to staff for reimbursed work to be performed under the agreement.
- P&M tracks and monitors expenditures by fund source. Also, P&M and/or Accounting provide information to the R/W Project Coordinator on reimbursed expenditures.

- The R/W Project Coordinator monitors and manages the co-op to ensure that work is performed and reimbursed costs are within the limits of the agreement.
- The R/W Project Coordinator makes request to the Project Manager for an amendment to the cooperative agreement prior to exceeding funding limits.

See Caltrans Cooperative Agreement Manual for detailed information on cooperative projects and reimbursed work. Please also refer to Chapter 17, Local Programs, of the Right of Way Manual.